

RYAN (UK) LIMITED

Report and Financial Statements

31 December 1999

**Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff CF24 0TS**



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REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T W Patterson
K J Thomas
C J N Ward

SECRETARY

K J Thomas

REGISTERED OFFICE

17 St Andrews Crescent
Cardiff
CF10 3DB

AUDITORS

Deloitte & Touche

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

ACTIVITIES

The principal activity of the company continues to be that of a sub holding company.

RESULTS AND FUTURE PROSPECTS

The results for the year are shown in the profit and loss account on page 5.


DIRECTORS

The current directors of the company are as shown on page 1. Mr D R Peek resigned as a director on 30th March 2000 and Mr L Nicholson resigned as a director on 9th June 2000. Mr T W Patterson was appointed a director on 30th March 2000. Mr K J Thomas and Mr C J N Ward served as directors throughout the year. Mr L Nicholson and Mr K J Thomas had in certain circumstances the right to acquire ordinary shares of £1 each in Ryan Group Limited, the ultimate parent company. These rights have now been waived.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

Approved by the Board of Directors
and signed on behalf of the Board



K J Thomas

Secretary

Date.....7/9/2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have met these requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
RYAN (UK) LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

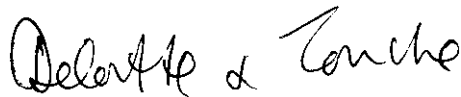
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and
Registered Auditors

7th September 2000

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1999

	Note	1999 £'000	1998 £'000
Dividends received		250	-
Operating costs		(1)	(13)
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>249</u>	<u>13</u>
Tax on profit on ordinary activities	4	-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	10	<u><u>249</u></u>	<u><u>13</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given.


BALANCE SHEET
31 December 1999

	Note	1999 £'000	1998 £'000
FIXED ASSETS			
Tangible assets	5	-	-
Investments	6	7,227	7,227
		<u>7,227</u>	<u>7,227</u>
CURRENT ASSETS			
Debtors	7	216	216
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	8	<u>(8,339)</u>	<u>(8,588)</u>
NET CURRENT LIABILITIES			
		<u>(8,123)</u>	<u>(8,372)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(896)</u>	<u>(1,145)</u>
CAPITAL AND RESERVES			
Called up share capital	9	2,494	2,494
Share premium account	10	3,916	3,916
Profit and loss account	10	<u>(7,306)</u>	<u>(7,555)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT			
		<u>(896)</u>	<u>(1,145)</u>

These financial statements were approved by the Board of Directors on 7th September 2000.

Signed on behalf of the Board of Directors


T W Patterson)

)Directors
K J Thomas)

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention:

The financial statements have been prepared under the historical cost convention.

Group accounts:

The company is not required to prepare consolidated financial statements. The company's financial statements present information about it as an individual undertaking.

Tangible fixed assets:

Depreciation is computed on the cost of assets and is calculated to write down the assets to a residual value, by equal annual instalments. The rate of depreciation is:

Freehold land and buildings: 10% per annum.

Investments:

Investments in subsidiaries are shown at cost less provision for impairment. Investment held as current assets are stated at the lower of cost and net realisable value.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no remuneration for their services during the year and the company has no employees.

3. OPERATING PROFIT ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
Operating Profit is after charging:		
Auditors' remuneration	1	1
	<u>1</u>	<u>1</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

No tax charge arises due to availability of losses within the group.

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000
Cost	
At 1 January 1999 and 31 December 1999	58
	<u>58</u>
Accumulated depreciation	
At 1 January 1999 and 31 December 1999	(58)
	<u>(58)</u>
Net book value	
At 31 December 1998 and 31 December 1999	-
	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

6. INVESTMENTS HELD AS FIXED ASSETS

	£'000
Shares in group companies:	
Cost and net book value	
At 1 January 1999 and 31 December 1999	<u>7,227</u>

In the opinion of the directors the value of the investments in subsidiaries is not less than the amount at which they stated in the balance sheet.

Additional information on investments:

Subsidiary Companies	Principal activity	Country of registration	% of equity held by the company	Share capital
Crouch Mining Limited	Opencast mining	England and Wales	100%	£1 ordinary

Group financial statements have not been prepared as the company's interests are dealt with in the financial statements of Ryan Group Limited, the ultimate parent company.

7. DEBTORS

	1999 £'000	1998 £'000
Amounts owed by group companies - subsidiaries	<u>216</u>	<u>216</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £'000	1998 £'000
Amounts owed to parent company	8,338	8,587
Accruals	<u>1</u>	<u>1</u>
	<u>8,339</u>	<u>8,588</u>

9. SHARE CAPITAL

	1999 £'000	1998 £'000
Authorised		
16,500,000 ordinary shares of 20p each	<u>3,300</u>	<u>3,300</u>
Allotted and fully paid		
12,470,421 ordinary shares of 20p each	<u>2,494</u>	<u>2,494</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Issued share capital £'000	Share premium account £'000	Profit and loss account £'000	Total 1999 £'000	Total 1998 £'000
At beginning of year	2,494	3,916	(7,555)	(1,145)	(1,158)
Profit for the year	-	-	249	249	13
At end of year	<u>2,494</u>	<u>3,916</u>	<u>(7,306)</u>	<u>(896)</u>	<u>(1,145)</u>

11. CONTINGENT LIABILITIES

The company, parent company and certain fellow subsidiaries have given an unlimited guarantee in respect of the bank loans and overdraft facilities provided by Bankers Trust Company and Creditanstalt AG which, at 31 December 1999 amounts to £17,055,000 (1998 - £20,030,000).

12. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Ryan Group Limited, a company registered in England and Wales.

Copies of the financial statements of Ryan Group Limited are available from its head office at East Stobswold, Morpeth, Northumberland, NE61 3AY.